Our objectives were the ones stated in the United Nations resolution, which was to cause his removal from Kuwait, and the liberation of Kuwait.

WOLF BLITZER: But you were caught by surprise by this tenacity, this ability to hold on, and perhaps not only hold on, but to consolidate and to emerge a few months after the war perhaps even stronger internally than he was before.

DIRECTOR WEBSTER: I don't think `caught by surprise' is an accurate way to describe it, Wolf. I think we were—we were impressed by it, but not surprised by it.

MR. BLITZER: There's some criticism that you always hear, I'm sure you've heard it, that the CIA in recent years has relied too much on national technical means—high flying reconnaissance photography and communications intercepts—but not enough on the human element.

Did that criticism—was that criticism justified in this war, would you say?

DIRECTOR WEBSTER: Well, unquestionably our resources for human intelligence went down over a period of time. And we've been building them back.

The Senate Select Committee, especially, and now the House, has been very supportive about giving us the resources to produce that kind of intelligence in a wide range of countries throughout the world.

We were living in an era where the Soviet Union was the prime target. In fact, that was the reason for the founding of the Central Intelligence Agency.

These things do not happen overnight. They are not shelf items that can be quickly put in place, nor are they likely to have the kind of access that would tell you of a general's intentions, or a president's intentions, unless

they've been in place long enough to have developed that kind of relationship of trust.

So that's a building process. But I must say, although I cannot comment publicly about what we have, we did receive important human intelligence that was useful throughout the war to the military as well as to our policy makers.

MR. BIERBAUER: You're suggesting that you can indeed—that the U.S. can indeed find people on the ground in these countries, presumably nationals of those countries, who are willing to work with you?

DIRECTOR WEBSTER: It is possible. I can't--I don't want to describe the trade craft involved, because it's a worldwide effort to make it happen in a particular place, and it requires a lot of knowledge developed not only inside but outside the country.

But it is possible. But it is a slow and delicate process. And leadership changes. And often with the leadership may go your most precious asset. You have to have other assets coming in from the other side.

And I think we learned that a little bit in Iran. We were working very hard on this, have been during most of the years I've been in office, have expanded our language-training capability and other things that make it possible to function on the ground.

The one--the two things that you learn best from the ground are intentions and capabilities. We can measure and observe and spot and do a number of aggregations with technical capability, and they work together; you need them both.

Often, human intelligence will tell you about something they've heard that's out in a particular place, as the Rabta chemical plant in Libya. But it takes the technical capability to look in on someone else's country and find some illicit activity.

MR. BIERBAUER: Judge Webster, we need to take a break. We'll be right back. Stay with us please.

(Announcements)

MR. BIERBAUER: Judge Webster, let me turn to the Soviet Union. As you say, the CIA really was almost set up with this intention of keeping an eye on the Kremlin. When you watch the Kremlin these days, and you see Mr. Gorbachev employing troops in Armenia, and you hear the Baltic leaders expressing fears that the troops may come back there, what does that tell you about how the Kremlin is being run?

DIRECTOR WEBSTER: Well, that tells me that President Gorbachev has had to rely increasingly on his military and the KGB and the Communist Party to maintain order inside the 15 republics.

It also says that there is a great deal of instability currently in the Soviet Union, a great deal of struggle from below for autonomy among the republics; a collapsed economy; and a number of other problems that threaten to break out in various ways and in various parts of the country.

It's an entirely different threat than the one that we watched for 40 years. The threat of an imminent standup ground offensive in Western Europe has diminished substantially, and our warning time is different, and what we need to watch is different.

But this type of instability is of national security concern to our country.

MR. BIERBAUER: If that use of force, oppressive use of force, is anothema to the U.S., as it would appear to be, is there a mistaken affection for Mr. Gorbachev here? He is, after all, is he not, still the man calling the shots?

DIRECTOR WEBSTER: I believe that you're asking for a policy judgment, and I've tried to stay very close--very carefully away from making policy judgments about a mistake.

MR. BIERBAUER: Well, I'm asking for an intelligence judgment. Is Gorbachev not necessarily the man he seems to be when he is out conducting good public relations?

DIRECTOR WEBSTER: Well, as the president has said, the achievements of Gorbachev on the road to reform since 1985 have been enormously impressive. On the other hand, he has run into a series of problems that his general approach, with his preference for solving it through communist or centrist-type solutions and avoiding the hard choices for a market economy and privatization, have simply not worked for him.

And now he is confronted with survivor-type problems from within his own country.

MR. BLITZER: Well, Judge, you think Gorbachev will survive this crisis that he currently is facing? If you had to look down the road a year from now, is he still going to be in power?

DIRECTOR WEBSTER: I try not to make flat-out predictions of this kind. It's the kind of intelligence that we provide for the president and to the Congress.

I can say that his prospects are considerably dimmer than we viewed them a year ago.

MR. BLITZER: Well, does this mean that there could be a return to the Cold War? Or is that Cold War history?

DIRECTOR WEBSTER: I don't think it's possible to return to the kind of Cold War that we had in the early 1980s, and prior to that. Soviet hegemony over Eastern Europe has been destroyed. The Warsaw Pact, as a military unit, is gone.

There could develop some level of animosity that would result in a different kind of rivalry, but I don't see that happening in the near term.

Their internal problems are monumental, and they're in no position to engage in adventurism against the West.

MR. BIERBAUER: What is your assessment of Eastern Europe? Can it gain stability? A lot of those countries are really going through turmoil?

DIRECTOR WEBSTER: Well, all of us hope so. Each one has to be gauged in terms of its own progress. Each is trying to get there by a slightly different route. There is the cold shower, and there is the put-your-toe-in-the-tub approach. The cold shower seems to offer the best prospect of an early attainment of reasonable stability in a democratic environment.

To hold back and to do it in pieces invites popular discontent, it provides no change in the downward trend of the economies, and simply won't work.

But I'm very hopeful that these countries which want democracy so badly will work to make it happen, and that we, by providing our advice and our know-how, and others involved in providing additional aid, will ease that pain that they're necessarily going through.

MR. BIERBAUER: Let me ask you a quick question about the KGB, which seems to be seeking to redefine its image and to put out a better one.

On the other hand, when you had a fire in the U.S. embassy, they were as opportunistic as ever.

Did you lose any intelligence in that fire in the first place?

DIRECTOR WEBSTER: I'm not informed of any significant loss of intelligence. I know the agency did not lose any intelligence. There were other classified documents in the building in various other vaults, and I'm not prepared to speak to that.

But I'm confident that our space was secure.

MR. BIERBAUER: And the new image of the KGB?

DIRECTOR WEBSTER: Well, one has to remember that the KGB and the CIA are not comparable agencies. The KGB has a large responsibility for controlling internal domestic unrest. It also has been given a number of political responsibilities, such as the distribution of food.

It acts to collect intelligence widely throughout the world, so that I have not detected any serious change in its responsibilities, and indeed, when they lost most of their surrogate intelligence collecting capabilities, when the Eastern bloc turned toward democracy, they had to replace that with efforts of their own to continue to collect intelligence, particularly what we call technology transfer, the acquisition or stealing of important technology secrets.

 $$\operatorname{MR}.$$  BIERBAUER: We need to take another break. Stay with us please.

(Announcements)

MR. BIERBAUER: On NEWSMAKER SATURDAY, from CIA headquarters in Langley, Virginia, our guest is the director of Central Intelligence, William Webster. With me, CNN's Wolf Blitzer. Wolf.

MR. BLITZER: Judge Webster, looking down the road, where are the major trouble spots? As you leave the CIA, if you have to predict, the next time the U.S. may be forced to use military power, where would that be?

DIRECTOR WEBSTER: All right. Now, keep in mind, it's more than military power. We're the last definable superpower, and we'll be called upon to intervene in regional disputes, either diplomatically or military or economically.

So we have to have an economic—have an encyclopedic capability, knowledge of the places where these things come up. It's too late if it happens and we're trying to learn about a situation.

I can give you examples of areas that have the capacity to create a situation that are obvious. North and South Korea being one of those; India and Pakistan being another. General uncertainties in the Pacific Rim. Countries in Africa that are all failing at this point to try to preserve a semblance of democracy and move toward pluralism, some with more success than others.

The Middle East is going to continue to be a problem.

Gaddafi is still alive and very active throughout Africa and other countries.

Those are just a few. We have some instability in South America and Latin America that may crop up to cause us trouble.

MR. BLITZER: How serious is terrorism as a threat?

DIRECTOR WEBSTER: Well, know you're talking about a class of activity. And we have several classes of activity that we didn't pay any attention to, or really not much attention to, 15, 10 years ago.

Terrorism, international terrorism, has been a major concern. The numbers are not all that large, but the impact politically, and on valued rights to travel of American citizens, on property of American citizens, is substantial.

That's a trans-national issue, and we've been very good at getting at not only understanding, but moving out in front with our intelligence to get there, as we say, before the bomb goes off.

Hopefully we'll be able to tell the story of how we kept terrorism under control during the Persian Gulf conflict at some future point. But we did it by identifying them in many parts of the world, having them arrested and interrogated, deported, and ultimately in some cases confessions.

MR. BIERBAUER: You're welcome to tell the story right now. But presumably you did this by putting a little muscle on some of the people who had sustained terrorism, perhaps the Syrians among them.

DIRECTOR WEBSTER: And we had cooperation from most of the host countries who were involved in the coalition government, really unusual cooperation. A result of a lot of liaison work that had been in place. We had a running start on this.

Terrorism is one example of these kinds of transnational issues. Narcotics is another one. We are definitely in the war against drugs, providing important strategic intelligence, not only in countries like Mexico and South America, but in other parts of Eastern Asia, that will be important in identifying money laundering, organized groups, and actual crop locations that have escaped notice in the past.

MR. BIERBAUER: Can I just stop you there?

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DIRECTOR WEBSTER: Yes.

MR. BIERBAUER: Are you concerned now that the war and the strength of this coalition may have had that terrorism pops up again as a bigger problem?

DIRECTOR WEBSTER: The possibility is clearly there, not necessarily as a bigger problem. For now, if you're talking about Saddam Hussein, Saddam Hussein's conventional wisdom is not to force that issue in his present condition with allied troops still around to take some action if it happens.

But later on we could see an emergence of this. And it's in a number of domestic terrorist groups that operate against the United States and others.

MR. BIERBAUER: Time for one very quick question.

MR. BLITZER: Quick, tying up one loose end.

DIRECTOR WEBSTER: I wanted to finish up. A bigger issue is weapons of mass destruction, missile proliferation, biological weapons, chemical weapons, spreading throughout the world.

MR. BIERBAUER: We'll have to tie up that loose end on another occasion. We're out of time. Judge Webster, I thank you very much for joining us. For Wolf Blitzer, I'm Charles Bierbauer. Thank you for being with us on NEWSMAKER SATURDAY.